

REGISTRY
REGULATORY AUTH.

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OFFICE OF THE
EXECUTIVE SECRETARY

June 22, 2001

Mr. Butch Phillips
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243-0505

Re: Docket # 00-00667


Dear Mr. Phillips:

This letter is to request the Tennessee Regulatory Authority to amend our CNN petition with the following items:

1. The legal name has been changed from Hampton Carter LLC to H C Sewage Treatment LLC. A copy of the Articles of Organization is included in Exhibit 9.
2. The Rules and Regulations and the Tariff have been improved. The amended copy is found in Exhibit 8.
3. The Service Area has been expanded. A copy of the area is included in Exhibit 2.
4. Letters of endorsement and acknowledgment are in Exhibit 3.
5. The balance sheet of the LLC is in Exhibit 4.
6. The Bank commitment for the facility financing is in Exhibit 7.
7. The location of the treatment facility is shown in Exhibit 10.

Please advise if additional information is needed. Thank you for your continued help in this petition.

Sincerely,


Joy Strickland

H C SEWAGE TREATMENT LLC

1. **A description of the service the applicant proposes to render.** To obtain a NPDES discharge permit from EPA and build a 12,000 gallon per day recirculating sand filter ultra violet treatment plant to serve a small commercial center in Hampton. Exhibit 1 contains a copy of the application and approval.
2. **A statement of the territory to be served and a map with such territory marked on it.** The area to be served is in Hampton, an unincorporated area of Carter County, Tennessee. Exhibit 2 shows the territory to be served. The boundaries include the geographic area of tax map 58N of the eleventh civil district of Carter County, parcels 1.0,1.01, 2, 3, in group A and 1.02, 1.03, 2, 3 in group B.
3. **A copy of the franchise granted by the city, if applicable.** Elizabethton is the nearest city to the proposed project. They do not serve the area nor do they have plans to do so. The project is located within the service area of the Hampton Utility District. The Utility District does not provide sewer service nor is it authorized to do so. Endorsements and acknowledgments are in Exhibit 3.
4. **A statement of public need for the service, which includes an estimate of the number of customers to be served initially and any estimates of growth.** Because the soil does not percolate well, a treatment plant will allow the most effective utilization of the site. Initially, there will be three users. The plant can handle between six and eight customers, but that depends upon the effluent volume of the users. The initial users, which will include two fast foods and petroleum products, will take about half the plant capacity. It is anticipated that three other users will be attached to the system during the second year. One user will be a bank. By the third year, we should be at capacity.
5. **Engineering and construction plans.** The engineering plans were prepared by Jobe & McElyea, Engineers, PLLC of Johnson City. The Constructions estimates were made by United Construction of Johnson City. Plans will be sent separately, if required.
6. **A current financial statement of the company.** The current financial statement of HC Sewage Treatment LLC is included as Exhibit 4.
7. **A detailed estimate of the cost of construction of the system.** United Construction estimates the total costs of the project at \$150,000. These estimates were made after evaluating the two locations in Upper East Tennessee having similar treatment operations. Both these treatment facilities were built by the State. One is at Roan Mountain State Park. The other is at the state prison in Carter County. The engineering report and the construction estimate are included in Exhibit 5.
8. **Pro Forma statement of the cost of operating the system for the first five years.** Estimates of financial operations are attached as Exhibit 6. Exhibit 6 also includes a letter from

the City of Johnson City indicating their willingness to operate the facility and the contract example that will be signed. The cost of operations is a contract amount. The cost of power has been determined by calculating the power needs of the three pumps together with the other electrical demands. This was done by Jobe & McElyea Engineers. Rustic Ridge Landscape Company quoted the price for site maintenance

9. An analysis of the projected customer growth for the first five years. The system will attach three customers the first year and three additional customers the second year. Three potential users have deal proposals for the use of property within the service area, if the sewage disposal project is approved. The second year users are anticipated based on conversations with developers. Most of the plant capacity will be used, if these six become customers of the system. Maybe two additional customers in the third year would use up capacity of the plant.

10. A detail of any proposed financing. The project will be financed by a loan from First Bank and Trust of Johnson City. Exhibit 7 is a copy of the Bank's commitment. The loan will be repaid from tap fees, as found in 6.1 Tap Fee Requirements of the Tariff. Each customer will be required to pay a tap fee in proportion to their anticipated usage of the total volume. For example, one user has projected that their usage will be 3000 gallons per day. According to the formula their tap fee would be \$37,500 or \$12.50 per gallon of effluent as cited in 6.1 of the Tariff. Should a business have their own septic system in this section of Carter County, the environmental regulators of the state would require one half to one acre of land to be available for backup sewage disposal area. Considering that over half of any site would be for septic tank and title fields, the cost of additional land would exceed \$50,000. The H C Sewage Treatment LLC will enable a savings in land cost and an orderly maintenance program.

The land values cited are from works conducted by Michael Green, MAI, CCIM, of Johnson City and J. Kip Miller, TCGA, of Knoxville. The environmental evaluations for septic tank use were conducted by the Tennessee Department of Environment and Conservation.

11. A detail of the rate the company proposes to charge its customers and how the rates were determined. The annual operating costs are in Exhibit 6. The contract with the City of Johnson City sets the plant operating costs. The power needs are from the analyses of power generation. And, site maintenance from Rustic Ridge. A minimal amount has been added for administration and repair and replacement. The designed capacity of the plant was divided into the operating costs to determine the rate. These rates are included in the Tariff - SEWER RATE SCHEDULE. A copy of H C Sewage Treatment LLC Rules and Regulations are found in Exhibit 8.

12. A description of the type of entity which will own the system together with proof of existence of the entity. The entity owning the system is the H C Sewage Treatment LLC. Joy Strickland is the Chief Manager. Ms. Strickland has never been involved in public utility before this effort. A copy of the filing is included in Exhibit 9.



COPY

STATE OF TENNESSEE
DEPARTMENT OF ENVIRONMENT AND CONSERVATION
DIVISION OF WATER POLLUTION CONTROL
401 CHURCH STREET
L & C ANNEX 6TH FLOOR
NASHVILLE TENNESSEE 37243-1534

May 16, 2001


Mr. Roosevelt Childress
Chief, Permits Section
U.S. EPA Region 4
61 Forsyth Street
Atlanta, GA 30303

Re: Fact Sheet Addendum
Hampton Carter Commercial Center
NPDES Permit #TN0075094
Hampton, Carter County, Tennessee

Dear Mr. Childress:


The enclosed Fact Sheet Addendum responds to EPA concerns sent January 31, 2001, via e-mail regarding significance of the proposed effluent limitation for ammonia in the discharge permit for the new Hampton Carter Commercial Center in Carter County, Tennessee, public noticed as NPDES #TN0075094 on December 12, 2000. After further anti-degradation review, the Division determines that no revision to the proposed effluent limitation is necessary. The Division intends to issue this draft permit at the end of May 2001, so that the permittee will be free to either proceed with its compliance or appeal of its provisions. This submittal revises an electronic version of the addendum sent via e-mail to Connie Kagey of your staff on May 11, 2001.

Sincerely,


Saya Ann Qualls, P.E.
Manager, Permit Section

Enclosure

CC: Jack Strickland, Hampton Carter Commercial Center
Bobby Jobe, P.E., Lamar Dunn & Associates, Johnson City
TDEC-EAC-JC, Division of Water Pollution Control



Form
2D
NPDES



New Sources and New Dischargers

Application for Permit to Discharge Process Wastewater

For each outfall, list the latitude and longitude, and the name of the receiving water.

Outfall Number (list)	Latitude			Longitude			Receiving Water (name)
	Deg	Min	Sec	Deg	Min	Sec	
	36	17	19.82	82	10	27	

April 2001

III. Flows, Sources of Pollution, and Treatment Technologies

A. For each outfall, provide a description of (1) All operations contributing wastewater to the effluent, including process wastewater, sanitary wastewater, cooling water, and stormwater runoff; (2) The average flow contributed by each operation; and (3) The treatment received by the wastewater. Continue on additional sheets if necessary.

[illegible]

C. Except for storm runoff, leaks, or spills, will any of the discharges described in item III-A be intermittent or seasonal?

☐ Yes (complete the following table) ☒ No (go to item IV)

IV. Production

Year	a. Quantity Per Day	b. Units of Measure	c. Operation, Product, Material, etc (<i>specify</i>)
			None

A, and B: These items require you to report estimated amounts (*both concentration and mass*) of the pollutants to be discharged from each of your outfalls. Each part of this item addresses a different set of pollutants and should be completed in accordance with the specific instructions for that part. Data for each outfall should be on a separate page. Attach additional sheets of paper if necessary.

Each part of this item requests you to provide an estimated daily maximum and average for certain pollutants and the source of information. Data for all pollutants in Group A, for all outfalls, must be submitted unless waived by the permitting authority. For all outfalls, data for pollutants in Group B should be reported only for pollutants which you believe will be present or are limited directly by an effluent limitations guideline or NSPS or indirectly through limitations on an indicator pollutant.

CONTINUE ON REVERSE

CONTINUED FROM THE FRONT	EPA ID Number (copy from Item 1 of Form 1)	
--------------------------	--	--

C. Use the space below to list any of the pollutants listed in Table 2D-3 of the instructions which you know or have reason to believe will be discharged from any outfall. For every pollutant you list, briefly describe the reasons you believe it will be present.

1. Pollutant	2. Reason for Discharge
None	

VI. Engineering Report on Wastewater Treatment

A. If there is any technical evaluation concerning your wastewater treatment, including engineering reports or pilot plant studies, check the appropriate box below.



Report Available



No Report

B. Provide the name and location of any existing plant(s) which, to the best of your knowledge, resembles this production facility with respect to production processes, wastewater constituents, or wastewater treatments.

Name	Location
Roan Mtn. State Park	State Route 143

VII. Other Information (Optional)

Use the space below to expand upon any of the above questions or to bring to the attention of the reviewer any other information you feel should be considered in establishing permit limitations for the proposed facility. Attach additional sheets if necessary.

VIII. Certification

I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations.

A. Name and Official Title (type or print)

B. Phone No.

Jack Strickland

Owner & Developer

423-282-6811

C. Signature

D. Date Signed



FORM <div style="font-size: 2em; font-weight: bold;">1</div>		U.S. ENVIRONMENTAL PROTECTION AGENCY GENERAL INFORMATION <i>Consolidated Permits Program</i> <i>(Read the "General Instructions" before starting.)</i>	I. EPA I.D. NUMBER <div style="border: 1px solid black; height: 20px; width: 100%;"></div>
GENERAL		GENERAL INSTRUCTIONS If a preprinted label has been provided, affix it in the designated space. Review the information carefully; if any of it is incorrect, cross through it and enter the correct data in the appropriate fill-in area below. Also, if any of the preprinted data is absent (the area to the left of the label space lists the information that should appear), please provide it in the proper fill-in area(s) below. If the label is complete and correct, you need not complete items I, III, V, and VI (except VI-2 which must be completed regardless). Complete all items if no label has been provided. Refer to the instructions for detailed item descriptions and for the legal authorizations under which this data is collected.	
II. POLLUTANT CHARACTERISTICS		PLEASE PLACE LABEL IN THIS SPACE	

INSTRUCTIONS: Complete A through J to determine whether you need to submit any permit application forms to the EPA. If you answer "yes" to any questions, you must submit this form and the supplemental form listed in the parenthesis following the question. Mark "X" in the box in the third column if the supplemental form is attached. If you answer "no" to each question, you need not submit any of these forms. You may answer "no" if your activity is excluded from permit requirements; see Section C of the instructions. See also, Section D of the instructions for definitions of bold-faced terms.

SPECIFIC QUESTIONS	MARK "X"			SPECIFIC QUESTIONS	MARK "X"		
	YES	NO	FORM ATTACHED		YES	NO	FORM ATTACHED
A. Is this facility a publicly owned treatment works which results in a discharge to waters of the U.S.? (FORM 2A)		X		B. Does or will this facility (either existing or proposed) include a concentrated animal feeding operation or aquatic animal production facility which results in a discharge to waters of the U.S.? (FORM 2B)		X	
C. Is this a facility which currently results in discharges to waters of the U.S. other than those described in A or B above? (FORM 2C)		X		D. Is this a proposed facility (other than those described in A or B above) which will result in a discharge to waters of the U.S.? (FORM 2D)	X		
E. Does or will this facility treat, store, or dispose of hazardous wastes? (FORM 3)		X		F. Do you or will you inject at this facility industrial or municipal effluent below the lowermost stratum containing, within one quarter mile of the well bore, underground sources of drinking water? (FORM 4)		X	
G. Do you or will you inject at this facility any produced water or other fluids which are brought to the surface in connection with conventional oil or natural gas production, inject fluids used for enhanced recovery of oil or natural gas, or inject fluids for storage of liquid hydrocarbons? (FORM 4)		X		H. Do you or will you inject at this facility fluids for special processes such as mining of sulfur by the Frasch process, solution mining of minerals, in situ combustion of fossil fuel, or recovery of geothermal energy? (FORM 4)		X	
I. Is this facility a proposed stationary source which is one of the 28 industrial categories listed in the instructions and which will potentially emit 100 tons per year of any air pollutant regulated under the Clean Air Act and may affect or be located in an attainment area? (FORM 5)		X		J. Is this facility a proposed stationary source which is NOT one of the 28 industrial categories listed in the instructions and which will potentially emit 250 tons per year of any air pollutant regulated under the Clean Air Act and may affect or be located in an attainment area? (FORM 5)		X	

III. NAME OF FACILITY

1 **SKIP** Hampton Carter Commercial Center

IV. FACILITY CONTACT

A. NAME & TITLE (last, first, & title)	B. PHONE (area code & no.)
2 Strickland Jack	423 282 6811

V. FACILITY MAILING ADDRESS

A. STREET OR P.O. BOX	B. CITY OR TOWN
3 4718 Lake Park Dr	Johnson City
C. STATE D. ZIP CODE	
TN 37615	

VI. FACILITY LOCATION

A. STREET, ROUTE NO. OR OTHER SPECIFIC IDENTIFIER	B. COUNTY NAME
5 Old State Route 67	Carter
C. CITY OR TOWN	D. STATE E. ZIP CODE F. COUNTY CODE (if known)
6 Hampton	TN 37658

VII. SIC CODES (4-digit, in order of priority)			
A. FIRST		B. SECOND	
7	(specify)	7	(specify)
C. THIRD		D. FOURTH	
(specify)		(specify)	

VIII. OPERATOR INFORMATION			
A. NAME			B. Is the name listed in Item VIII-A also the owner?
8 City of Johnson City			<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
C. STATUS OF OPERATOR (Enter the appropriate letter into the answer box; if "Other", specify.)		D. PHONE (area code & no.)	
F = FEDERAL S = STATE P = PRIVATE	M = PUBLIC (other than federal or state) O = OTHER (specify)	A 423 434 6000	
E. STREET OR P.O. BOX			
610 E Main Street			
F. CITY OR TOWN		G. STATE	H. ZIP CODE
8 Johnson City		TN	37601
		IX. INDIAN LAND	
		Is the facility located on Indian lands?	
		<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO	

X. EXISTING ENVIRONMENTAL PERMITS			
A. NPDES (Discharges to Surface Water)		D. PSD (Air Emissions from Proposed Sources)	
9 N None		9 P	
B. UIC (Underground Injection of Fluids)		E. OTHER (specify)	
9 U None		9	(specify)
C. RCRA (Hazardous Wastes)		E. OTHER (specify)	
9 None		9	(specify)

XI. MAP

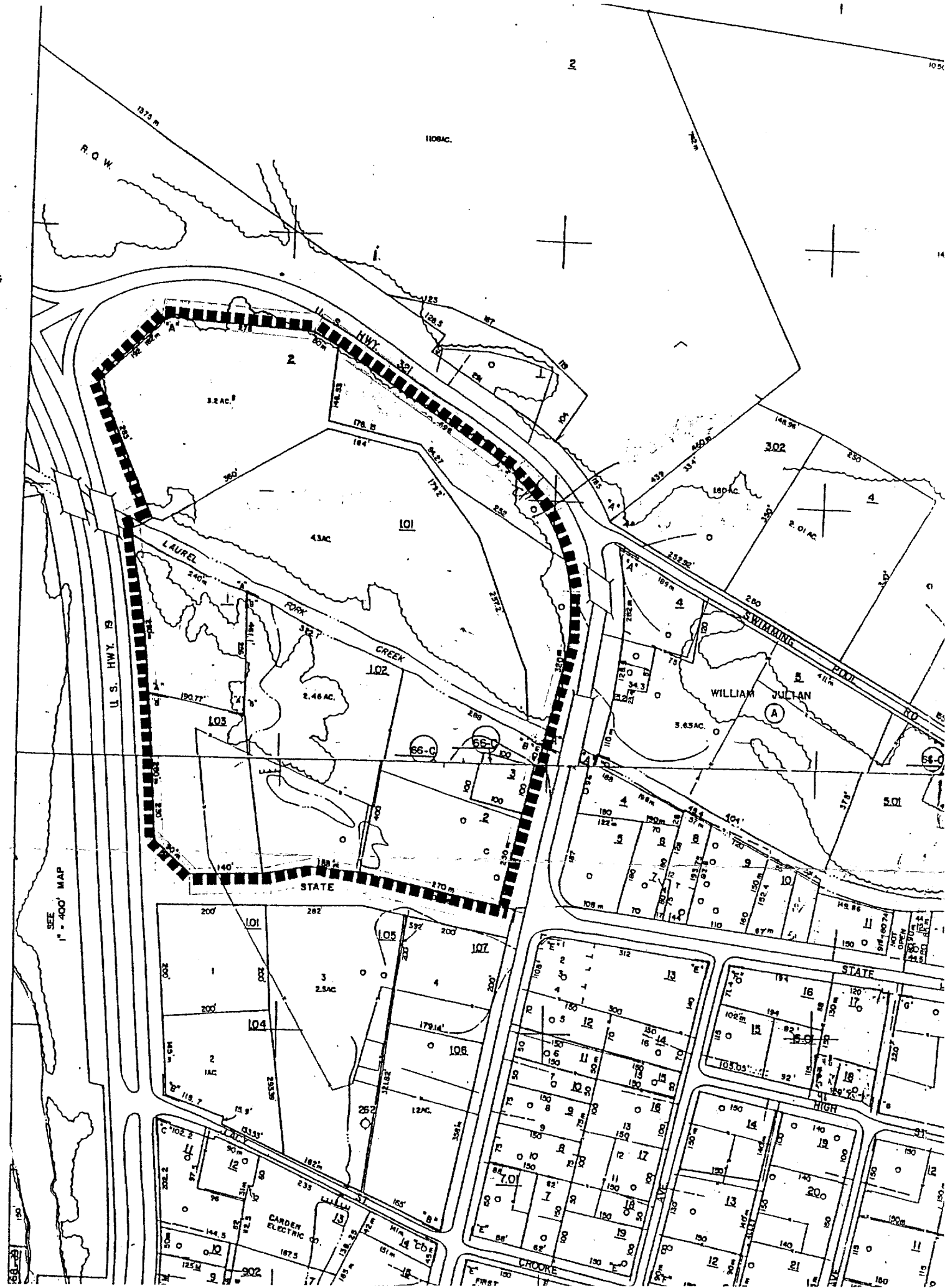
Attach to this application a topographic map of the area extending to at least one mile beyond property boundaries. The map must show the outline of the facility; the location of each of its existing and proposed intake and discharge structures, each of its hazardous waste treatment, storage, or disposal facilities, and each well where it injects fluids underground. Include all springs, rivers and other surface water bodies in the map area. See instructions for precise requirements.

XII. NATURE OF BUSINESS (provide a brief description)

Treatment plant will receive waste water from small commercial customers; restaurants, service stations, offices and etc.

XIII. CERTIFICATION (see instructions)		
I certify under penalty of law that I have personally examined and am familiar with the information submitted in this application and all attachments and that, based on my inquiry of those persons immediately responsible for obtaining the information contained in the application, I believe that the information is true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment.		
A. NAME & OFFICIAL TITLE (type or print)	B. SIGNATURE	C. DATE SIGNED
Jack B. Strickland		

COMMENTS FOR OFFICIAL USE ONLY	





CITY OF ELIZABETHTON

136 S. SYCAMORE ST.
ELIZABETHTON, TN 37643-3328
(423) 547-6200

*David R. Ornduff, Director
Planning and Development*

June 14, 2001

Mr. Butch Phillips
Utility Rate Specialist III
Tennessee Regulatory Commission
460 James Robertson Parkway
Nashville, TN 37243-0505

Subject: Docket # 00-00667, Hampton, TN, HC Sewage Treatment

Dear Mr. Phillips:

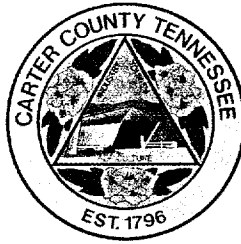
This letter is to inform you that the City of Elizabethton is aware of the HC Sewage Treatment project. This type of development in our county would be very beneficial to our outlying areas. If there is anything we could do to assist you or the developer in this project please feel free to contact me at (423) 542-1502.

Very truly yours,

David R. Ornduff, Director
Planning and Development

DRO/sec

Truman Clark
County Executive



801 E. Elk Avenue
 Elizabethton, TN 37643
 423-542-1801
 423-542-9279 Fax

CARTER COUNTY
STATE OF TENNESSEE
ELIZABETHTON

Mr. Butch Phillips
Utility Rate Specialist III
Energy and Water Division
Tennessee Regulatory Commission
460 James Robertson Parkway
Nashville, TN 37243-0505

SUBJECT: Docket # 00-00667, HAMPTON, TN, H C Sewage Treatment

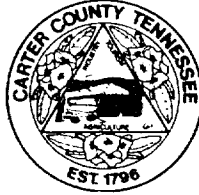
Dear Mr. Phillips,

This letter is to inform you that the Carter County is aware of the H C Sewage Treatment project. This type of development in our county would be very beneficial to our outlying areas. If there is any thing we could do to assist you or the developer in this project please feel free to contact me at (423) 542-1801.

Sincerely,

A handwritten signature in cursive script, appearing to read "Truman Clark".

Truman Clark
Executive, Carter County



Carter County Planning And Zoning

CARTER COUNTY COURT HOUSE
ELIZABETHTON, TENNESSEE 37643
PHONE 542-1834

**Mr. Butch Phillips
Utility Rate Specialist III
Energy and Water Division
Tennessee Regulatory Commission
460 James Robertson Parkway
Nashville, TN 37243-0505**

SUBJECT: Docket # 00-00667, HAMPTON, TN, H C Sewage Treatment

Dear Mr. Phillips,

This letter is to inform you that the Carter County Planning Commission is aware of the above mentioned project and welcomes this type of development in our county. If there is any thing we could do to assist you or the developer in this endeavor please feel free to contact me at (423) 542-1834.

Sincerely,



**C.A. Schuettler
Director, Carter County
Planning and Zoning**

**HC SEWAGE TREATMENT, LLC
BALANCE SHEET
MAY 31, 2001**

ASSETS:**CURRENT ASSETS**

CASH	\$ 1,000
TOTAL CURRENT ASSETS	<u>\$ 1,000</u>

FIXED ASSETS

LAND	\$ 35,000
TOTAL FIXED ASSETS	<u>\$ 35,000</u>

TOTAL ASSETS	<u><u>\$ 36,000</u></u>
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LIABILITIES & OWNER'S EQUITY:**LIABILITIES:****CURRENT LIABILITIES**

ACCOUNTS PAYABLE	\$ 35,000
TOTAL CURRENT LIABILITIES	<u>\$ 35,000</u>

OWNER'S EQUITY:**CAPITAL - STRICKLAND**

TOTAL OWNER'S EQUITY	<u>\$ 1,000</u>
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TOTAL LIABILITIES & OWNER'S EQUITY	<u><u>\$ 36,000</u></u>
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ENGINEERING REPORT

PROPOSED WASTEWATER TREATMENT FACILITIES

FOR

HAMPTON CARTER COMMERCIAL CENTER
HAMPTON, TN

Developed and Owned by:

HAMPTON CARTER L.L.C.
4718 LAKE PARK DRIVE
SUITE 3
JOHNSON CITY, TN 37615

Prepared by:

Jobe & McElyea Engineers P.L.L.C.
4718 Lake Park Drive, Suite 4
Johnson City, TN 37615

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ENGINEERING REPORT

I. PROPOSED DEVELOPMENT

The owner is in the process of developing a small commercial center in Hampton-Carter County, Tennessee. The proposed development is located east of U.S. 19E and south of U.S. 321 in Hampton. Figure 1 shows the proposed development area and wastewater treatment facility location.

II. WASTEWATER TREATMENT ALTERNATIVES

There are four alternatives for providing wastewater treatment. These are: construction of a subsurface system on or off site, construction of a treatment plant, connection to the Elizabethton sewerage system and land application. The use of subsurface disposal for this development is not satisfactory because the site is on "fill" without sufficient land area on which to construct the required field lines. Construction of a sewer line to the Elizabethton system is not a viable alternative with cost being the major determinant. It is estimated that the cost for this alternative would exceed 1.0 million dollars, which would be borne by the developer, and be excessive. Land is not available nearby for land application or for offsite field lines.

Construction of a private wastewater treatment plant (recirculating sand filters) is an acceptable alternative from both cost and for protecting the environment.

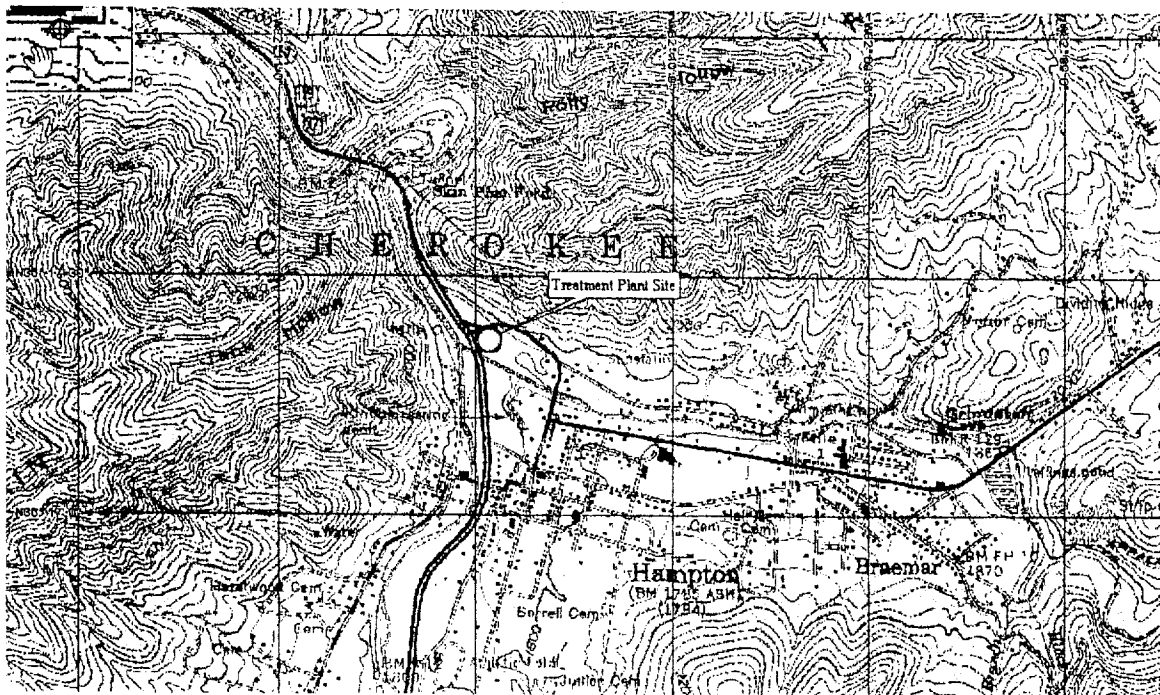
Therefore, it is proposed to build an on site wastewater treatment facility – a recirculating sand filter.

III. PROPOSED DISCHARGE POINT

The proposed discharge point is shown in Figure 1 and is described as follows:

- 1 – Mile 0.1 of the Laurel Fork Creek
2 – Latitude - 36° 17' 20"
3 – Longitude - 83° 10' 29"

FIGURE 1
ELIZABETHTON QUAD



IV. WASTEWATER CHARACTERISTICS

- A. Wastewater Flow Phase I – The wastewater flow will result from food service, convenience centers and employee restrooms. The food service facilities are projected at 100 seats. The estimated number of employees is 20. The total wastewater flow for phase I is estimated as follows: (Phase II is also a approximately 6,000 gal)

1 – 100 seat food service at 40 gal/seat	=	4,000 gpd
2 – convenience center	=	1,000 gpd
3 – 40 employees at 25 gal/employee	=	<u>1,000 gpd</u>
Total Flow		= 6,000 gpd

- B. Organic Load (BOD) Phase I – The organic loading is estimated in accordance with the Tennessee Department of Public Health (TDPH) design criteria as follows:

1 – 100 seats at 0.2 lb/seat	=	20 lb/day
2 – 40 employees @ 0.05 lb/employee	=	<u>2 lb/day</u>
Total BOD		= 22 lb/day

V. EFFLUENT LIMITS

Although effluent limits have not been established at this particular site, it can be expected that typical secondary treatment will be required. Due to the large flow in the Laurel Fork Creek compared to the effluent flow, the discharge of a secondary effluent should cause no deterioration to the river water quality.

VI. PROPOSED WASTEWATER PROCESSES

It is proposed to design and construct a wastewater treatment facility consisting of the following unit processes:

- A. Grease trap and septic tank at each business
- B. Grease trap
- C. Recirculate tank and pumps
- D. Filter beds – flow splitter
- E. Distribution and collection system
- F. Aeration
- G. Disinfection

VII. DESIGN DATA

A. Parameters

- 1 – Instantaneous max. flow $12,000 \text{ gpd} / 720 \text{ min} = 17 \text{ gpm}$ (All phases)
- 2 – BOD $= 44 \text{ lb/day}$ (All phases)

- B. Septic tank – Grease & Oil Separators - Each user will be required to install a grease and oil separator and septic tank. In addition, a grease and oil separator will be installed as part of the treatment plant in front of the Recirculating Tank. Minimum tank size will be 1500 gallons.

- C. Recirculating Tanks – The volume of the tank shall be equal to one day's flow of 12,000 gallons. Tanks will be equipped with two alternating pumps sized to recirculate the wastewater 5 times before being discharged. A spare pump is to be provided.

D. Sand Filter Bed – The filter bed should be sized on the basis of 3.0-5.0 gallons per square foot per day of average strength domestic sewage.

The sand filter medium shall consist of 24 inches of clean coarse sand.

The bedding material supporting the filter sand shall consist of 3 inches of ¼-inch to ½-inch stone. Below this layer SHALL BE 6 inches of a ½-inch to 1-inch stone. Two inches of compacted shokestone shall be the bottom layer. An impermeable plastic liner 20 mils thick is required for the bottom of the sand filter. A fence will be required.

E. Distribution and Collection Systems – All piping shall be PVC with the distribution lines being placed level and the collection lines with grades as required.

F. Aeration Tank – Although OD is normally less than 5mg/l in the treated effluent an aeration tank will be provided.

G. Disinfection – It is proposed to use ultraviolet rays as a disinfectant.

VIII. ESTIMATED COST

The estimated cost is \$150,000.



PROJECT PROPOSAL

TO:

Planning and Development Services, Inc.
Attention: Jack Strickland
4718 Lake Park Drive, Suite C
Johnson City, TN 37615

282-6811 Fax: 282-4060

PROJECT DESCRIPTION

WASTE WATER TREATMENT PLANT
HAMPTON UTILITY DISTRICT (Carter County)
HAMPTON, TENNESSEE

ITEMIZED ESTIMATE: TIME AND MATERIALS	AMOUNT
1. MATERIALS	\$34,000.00
2. MEDIUM COST	25,500.00
3. CONTINGENCY	12,750.00
4. (3) GREASE TRAPS	5,100.00
5. (3) SEPTIC TANKS	5,100.00
6. FENCE (250 L.F.)	1,700.00
7. LABOR, GRADING, & SEEDING	65,850.00
TOTAL ESTIMATED PROJECT COST	\$150,000.00

This is an estimate only, not a contract. This estimate is for completing the project described above, based on our evaluation. It does not include unforeseen price increases or additional labor and materials which may be required should problems arise.


PREPARED BY

Oct 17, 2000
DATE

1019 QUALITY CIRCLE
403 ARNOLD RD.

JOHNSON CITY, TN 37615
BRISTOL, TN 37620

423-283-0520
423-764-4990

HAMPTON CARTER SEWAGE TREATMENT FACILITY PROJECTED OPERATING INCOME AND COSTS

YEARS	1st	2nd	3rd	4th	5th
Income					
Treatment Charges	904.17				
Tennant 1	447.92				
2	100.00				
3	1,452.08				
Total/Month					
4	904.17				
5	447.92				
6	100.00				
	1,452.08				
Annual	17,425.00	34,850.00	34,100.00	34,100.00	34,100.00
EXPENSES					
Operation Contract	7,300.00	18,000.00	18,900.00	18,900.00	19,845.00
Power	1,250.00	2,500.00	2,600.00	2,700.00	2,800.00
Septic Tank Maint	4,818.00	9,600.00	9,600.00	9,600.00	9,600.00
Site Maint	1,200.00	1,260.00	1,323.00	1,389.15	1,458.61
Replacement/Repair:	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00
Administrative	6,000.00	6,300.00	6,615.00	6,945.75	7,293.04
Total	23,568.00	31,360.00	32,423.00	32,589.15	33,703.61
NOI	(6,143.00)	3,490.00	1,677.00	1,510.85	396.39

Notes: The monthly projected operating income for the facility is calculated at \$100 for the first 10,000 gallons and \$10.00/1000 gallon over that amount as required by the Tarriff

The first year income is derived by assuming that the first three customers daily effluent is calculated as using 3000, 1500 and then the minimum charge of \$100.00.

Income for year 2, 3, 4 & 5 are calculated as using the first year's projection plus additional customers with usage of 3000, 1500 and another minimum charge.

The sewer taps will pay the debt of the fac

The operation contract is with the City of Johnson City - See Exhibit

Power expense was calculated by Jobe & McEliea by determining Kilowatts needed to run motors by City's rate. - See Exhibit

Site Maintenance was calculated by Rustic Ridge Landscaping for mowing and landscaping area. - See Exhibit

Septic Tank Maintenance was quoted by David Boggs, Grease Trap Manager, Valley Protein, Winchester, VA. See Exhibit

Administrative consists of part-time project manager salary.

Repairs and Replacement is calculated at a rate of \$250.00 per month.



City of Johnson City, Tennessee

Department of Water and Sewer Services

November 8, 2000

ADMINISTRATION

601 East Main Street
P.O. Box 2150
Johnson City, Tennessee 37605
Phone: 423-434-6062
Fax: 423-461-1657
h2oadmin@johnsoncitytn.org

CUSTOMER SERVICE/ BILLING/METER READING

601 East Main Street
P.O. Box 2150
Johnson City, Tennessee 37605
Phone: 423-461-1640
Fax: 423-434-6087
h2osrce@johnsoncitytn.org

ENGINEERING CONNECTIONS & EXTENSIONS

901 Riverview Road
P.O. Box 2466
Johnson City, Tennessee 37605
Phone: 423-461-1646
Fax: 423-975-2653
h2oengin@johnsoncitytn.org

LINE MAINTENANCE & CONSTRUCTION

901 Riverview Road
P.O. Box 2466
Johnson City, Tennessee 37605
Phone: 423-461-1645
Fax: 423-975-2619
h2olmc@johnsoncitytn.org

WATERPLANT/WASTEWATER TREATMENT PLANTS & FACILITY MAINTENANCE

857 Riverview Road
P.O. Box 2466
Johnson City, Tennessee 37605
Phone: 423-461-1642
Fax: 423-975-2612
h2ofm@johnsoncitytn.org

CIP MANAGEMENT

203 Dalewood Drive
P.O. Box 2466
Johnson City, Tennessee 37605
Phone: 423-975-2622
Fax: 423-975-2653
bigguy@preferred.com

Jobe Engineers
4718 Lake Park Drive
Johnson City, TN 37601

Re: Proposed Wastewater Treatment Plant – Hampton, Tennessee

Dear Mr. Jobe:

We have reviewed a plan sheet indicating the concept proposed for the wastewater treatment plant in Hampton, Tennessee. We would offer the following information in response to a request by Mr. Strickland on how certain things can be handled in operation of a proposed utility district to be created.

Plan Operations

The City of Johnson City, if approved by the Commission, does have an interest in providing daily operation of the facility. This can best be described as checking and adjustment of the plant, obtaining and analyzing samples for compliance, completing the necessary paperwork for State requirements, providing a certified operator. Any other aspect of operation of the plant would be excluded from this, which would include maintenance, aesthetics, landscaping or lawn care, equipment replacement or repair, etc. The situation at Roan Mountain is that their staff performs this work. We would suggest that you contact Glen Hatfield, Superintendent of the Roan Mountain State Park at (423) 772-0190 or 1-800-250-8620, to determine whether any of his employees have an interest in performing this work either through the State or as a side contract. If you want the involvement of our staff in reviewing discharge limits or the plans, we would be happy to offer that.

Collection System

The proposed collection system as we understand it involves a settling tank with an effluent pump which will pump the liquid portion of the waste on to the plant. Based on this being solely a commercial development, it is critical that the grease traps be properly sized and maintained. Grease can present very significant operational problems. The critical component will be the sizing of the traps and the proper maintenance. Tom Hensley, of our staff, has recently been to a grease conference in Lexington, Kentucky and may be of some assistance in the correct sizing. The proper maintenance will require pumping. This may have to occur


potentially once per month. David Boggs, Grease Trap Manager, with Valley Protein in Winchester, Virginia (1-540-877-2590) is an option for contracting the pumping of these. We requested a quote from Mr. Boggs for pumping two 1,500 gallon grease traps in Hampton. The quote for pumping this size trap is as follows: \$260 per trap per service. Grease discharge beyond the tanks can cause two significant problems. The first of which will be with the floats that are inside the pumps. These may not properly trigger the pumps to start and result in an overflow. If passage of the grease reaches the collection system and spray nozzles at the plant itself, then you are looking at problems with restoring the plant to full operational capabilities.

Cutoff Agreement

Enclosed is an agreement to discontinue water service in draft form for your water provider. You may also want to obtain meter readings for billing purposes, which is not spelled out within this agreement.

We hope this review has provided you with some information as you proceed to correctly account for the number of issues that may be encountered at a later date. If you have questions or require additional information, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read 'Tom Witherspoon', written over a large, loopy flourish.

Tom Witherspoon
Director
Water & Sewer Services

TW:bg

xc: Gordon Cox, COJC, W/WWTP Superintendent
Larry Counts, COJC, Line Maintenance Superintendent
Gerald Norris, COJC, WWTP Chief Operator
Tom Hensley, COJC, Industrial Monitor

ATTACHMENT VI



City of Johnson City, Tennessee

Department of Water and Sewer Services

ADMINISTRATION

601 East Main Street
P.O. Box 2150
Johnson City, Tennessee 37605
Phone: 423-434-6062
Fax: 423-461-1657
h2oadmin@johnsoncitytn.org

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**WATER PLANT/WASTEWATER
TREATMENT PLANTS
& FACILITY MAINTENANCE**

857 Riverview Road
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Fax: 423-975-2612
h2ofm@johnsoncitytn.org

CIP MANAGEMENT

203 Dalewood Drive
P.O. Box 2466
Johnson City, Tennessee 37605
Phone: 423-975-2622
Fax: 423-975-2653
bigguy@preferred.com

June 27, 2000

Bobby Jobe
Jobe & McElyea Engineering Consultants
4718 Lake Park Drive
Johnson City, TN 37601

**Re: Recirculating Sand Filled Filter Package/
Wastewater Treatment Plant – Hampton, Tennessee**

Dear Mr. Jobe:

We are of the understanding that a potential wastewater treatment plant or recirculating sand filter may be constructed in Hampton, Tennessee – Carter County for a proposed development. We are presently operating two additional package plants in Carter County, one at Roan Mountain State Park and the second at the Carter County Work Camp. Conceptually, we do have an interest in operating this facility if properly designed and constructed to handle the flow and waste characteristics generated. This is subject to the consideration by our Board of Commissioners and negotiation of appropriate rates.

If you have questions or require additional information, please do not hesitate to contact me.

Sincerely,

Tom Witherspoon
Director
Water & Sewer Services

TW:bg

xc: Gordon Cox, COJC, W/WW Treatment Superintendent

e:\tom\word\Letters 2000\Bobby Jobe - Hampton TN Proposed WW Facility

AGENCY CONTRACT (M/Y)
AWARD

STATE OF TENNESSEE

DEPARTMENT OF GENERAL SERVICES

PURCHASING DIVISION



NUMBER : 4021009
BUYER : JEREMY GROSS
BUYER PHONE : (615)741-1832
SWC NUMBER : B1272
DATE ISSUED : 02/09/99
VENDOR NUMBER : 626000320-14
VENDOR PHONE : (423)929-9171
FEIN/SSN : 626000320
REQ AGENCY : 32712M
DEPARTMENT OF CONSERVATION
AGENCY REQ NO. : ROAN MTN
TOPS REQ NO. : 1040498
FISCAL YEAR : 99
EFFECTIVE DATE : 12/01/98
EXPIRATION DATE : 11/30/99
DELIVERY CONTACT : DOYAL VAUGHAN
DELIVERY PHONE : 615-532-0320

JOHNSON CITY LAW COURT
DOWNTOWN CENTRE
101 E MARKET STREET
(SEE C626000320-01)
JOHNSON CITY

TN 37604-

WASTE WATER TREATMENT PLANT OPERATION
M/Y ROAN MOUNTAIN STATE PARK

1. ORDERING PERIOD: CONTRACT BEGIN ORDERING PERIOD DATE IS: 12/02/98
CONTRACT END ORDERING PERIOD DATE IS: 11/30/99
2. F.O.B. POINT: DESTINATION
3. DELIVERY: DELIVERY WILL BE MADE WITHIN:
UNLESS SPECIFIED DIFFERENTLY ON EACH LINE OR UNLESS
AN ALTERNATE DELIVERY SCHEDULE IS INDICATED. AN
ALTERNATE DELIVERY SCHEDULE IS ENCLOSED HEREIN: YES
4. PROMPT PAYMENT TERMS: PROMPT PAYMENT TERMS ARE: N/A
5. BID REFERENCE NO.: YOUR BID REFERENCE NUMBER IS: 445-5216213212
6. AWARDED LINES: YOU WERE AWARDED 00001 LINES FROM THE SOLICITATION NUMBER 2039390.
THESE LINES ARE INCLUDED AS A PART OF THIS CONTRACT.
7. THE TOTAL PURCHASES OF ANY INDIVIDUAL ITEM ON THE CONTRACT IS NOT KNOWN. THE PURCHASING DIVISION HAS
ATTEMPTED TO GIVE AN ACCURATE ESTIMATE OF PROBABLE PURCHASES OF EACH ITEM FROM THE CURRENT CONTRACT PERIOD
AND PROJECTED ESTIMATES FOR THE NEW CONTRACT PERIOD. THE PURCHASING DIVISION DOES NOT GUARANTEE THAT THE
STATE WILL BUY ANY OR ALL ESTIMATED AMOUNTS OF ANY SPECIFIED ITEM OR ANY TOTAL AMOUNT.

ALL TERMS AND CONDITIONS AS A PART OF SOLICITATION 2039390 INCLUDING ANY AMENDMENTS
THERE TO AND ALSO INCLUDING THE BIDDER'S PROPOSAL AS ACCEPTED BY THE STATE ARE
INCLUDED HEREIN BY REFERENCE AND MADE PART HEREOF EXCEPT AS SPECIFIED HEREIN.

APPROVED:

DIRECTOR OF PURCHASING

BY:

*** ORIGINAL SIGNED ***

DATE

2-9-99

EXTRA COPY 1

FORM XXXXX

TERMS AND CONDITIONS	AGENCY CONTRACT (M/Y)	
BIDDER : JOHNSON CITY LAW COURT	NUMBER : 4021009 SWC NUMBER : B1272	PAGE 2

SPECIFICATIONS - FOR TESTING OF DOMESTIC WASTEWATER DISCHARGE FROM A TREATMENT FACILITY WITH A DESIGN CAPACITY OF 0.0363 MGD. DISCHARGE 001 SHALL BE LIMITED AND MONITORED AS FOLLOWS:

EFFLUENT CHARACTERISTICS	EFFLUENT LIMITATIONS			MONITORING REQUIREMENTS		
	MO. AVG. CONC. MG/1	WKLY. AVG. CONC. MG/1	DAILY MAX. CONC. MG/1	MEASURE. FREQ.	SAMPLE TYPE	SAMPLNG POING
CBOD						
5	10		20	1/WEEK	COMPOS.	EFFLUENT
AMMONIA, AS N (MAY 1- OCT.31)	2		4	1/WK.	COMPOS.	EFFLUENT
AMMONIA, AS N (NOV. 1- APRIL 30)	5		10	1/WK.	COMPOS.	EFFLUENT
SUSPENDED SOLIDS	30		45	1/WK.	COMPOS.	EFFLUENT
	MONTHLY AVERAGE	DAILY MIN.	DAILY MAX.			
FLOW (MGD)	REPORT		REPORT	7/WEEK	CONTIN- UOUS	EFFLUENT
FECAL COLIFORM	200/100 ML		1000/100ML	1/WEEK	GRAB	EFFLUENT
TOTAL CHLORINE RESIDUAL			0.82 MG/1 INSTANT.	5/WK.	GRAB	EFFLUENT
SETTLABLE SOLIDS			1.0 ML/L	5/WEEK	GRAB	EFFLUENT
DISSOLVED OXYGEN		8.0 MG/L INSTANTANEOUS		5/WEEK	GRAB	EFFLUENT
PH (STANDARD UNITS)		6.0	9.0	5/WEEK	GRAB	EFFLUENT

CONTRACTOR RESPONSIBILITIES:

CONTRACTOR WILL PERFORM THE VARIOUS MONITORING REQUIREMENTS AS SET FORTH BY THE TENNESSEE DEPARTMENT OF ENVIRONMENT AND CONSERVATION DIVISION OF WATER POLLUTION CONTROL AS REQUIRED BY THE NPDES PERMIT #TN0074357. CONTRACTOR WILL FURNISH ALL TEST EQUIPMENT AND SUPPLIES. IF ANY PORTION OF THE MONITORING REQUIREMENTS (SAMPLES) MUST BE TESTED OR COMPLETED BY A CERTIFIED LAB; THE LAB CHARGES WILL BE PAID BY ROAD MOUNTAIN STATE PARK TO THE LAB AND WILL NOT BE PART OF THE CONTRACTORS CHARGES TO THE STATE. THE CONTRACTOR WILL MAINTAIN THE REQUIRED DAILY

TERMS AND CONDITIONS		AGENCY CONTRACT (M/Y)	
BIDDER : JOHNSON CITY LAW COURT		NUMBER : 4021009 SWC NUMBER : B1272	PAGE 3

CHARGES TO THE STATE. THE CONTRACTOR WILL MAINTAIN THE REQUIRED DAILY REPORTS/TEST RESULTS AND WILL SUBMIT THE REQUIRED MONTHLY REPORTS TO THE DIVISION OF WATER POLLUTION CONTROL AND SEND COPIES TO ROAN MOUNTAIN STATE PARK. THE CONTRACTOR WILL PERFORM THE MONITORING REQUIREMENTS ONCE PER DAY FIVE DAYS PER WEEK AS SPECIFIED; WHILE AT THE TREATMENT FACILITY THE CONTRACTOR WILL COMPLETELY INSPECT THE TREATMENT FACILITY FOR PROPER OPERATION. WHEN A DEFICIENCY IN NORMAL/ PROPER OPERATION IS DISCOVERED THE CONTRACTOR WILL NOTIFY PARK MAINTENANCE WHO WILL ASSIST THE CONTRACTOR IN CORRECTING THE PROBLEM. PARK MAINTENANCE WILL ASSIST THE CONTRACTOR IN THE ROUTINE CLEANING OF FILTERS, SCREENS, AND ROUTINE MAINTENANCE AND PREVENTATIVE MAINTENANCE. MEET WITH STATE INSPECTORS WHEN NOTIFIED OF AN INSPECTION.

PAYMENT FOR SERVICES TO BE PAID ON A MONTHLY BASIS.

PRICE SHEET		AGENCY CONTRACT (M/Y)		
BIDDER : JOHNSON CITY LAW COURT		NUMBER : 4021009 SWC NUMBER : B1272		PAGE 4
LINE NO.	COMMODITY/SERVICE DESCRIPTION	UNIT	UNIT PRICE	DISCOUNT OFF CATALOG PRICE
00001	<p>UNLESS SPECIFIED ELSEWHERE, SHIP TO: DEPARTMENT OF CONSERVATION ROAN MOUNTAIN STATE PARK HWY 143 ROAN MOUNTAIN TN 37687</p> <p>COMMODITY CODE: 987-71-040890 WASTEWATER AND SEWAGE TREATMENT PLANT, OPERATIONS. TESTING AND MAINTENANCE SERVICES TO BE PERFORMED BY A LICENSED CERTIFIED WASTE WATER TREATMENT PLANT OPERATOR.</p> <p>PER ATTACHED SPECIFICATIONS - BID PRICE FOR MONTHLY SERVICE</p>	MTH	\$ 1083.33000	N/A



1314 Volunteer Parkway • Bristol, Tennessee 37620 • 423-652-2022 • Fax: 423-652-2028

June 19, 2001

Mr. Jack Strickland, Chief Manager
HC Sewage Treatment Facility
4316 Lake Park Drive Suite 3
Johnson City, TN 37604

Dear Jack:

Thank you for allowing First Bank and Trust Company to review the financing request for the sewage treatment facility to be located in Hampton, Tennessee. We are willing to lend up to Two Hundred Fifty Thousand Dollars (\$250,000.00) for this project. Terms and conditions of the commitment will be outlined in a separate commitment letter.

We appreciate your business and look forward to working with you on future projects.

Sincerely,

A handwritten signature in cursive script that reads "Julia Necessary Bell".

Julia Necessary Bell
Vice President

RULES AND REGULATIONS

1. DEFINITIONS.

The following terms, wherever used in the tariff, shall be defined as set forth below:

Applicant: shall mean any person, firm, corporation, association or governmental unit making application for sewer service.

Availability Fee: shall mean a fee or charge paid to the utility by a subscriber for the availability of sewer service being provided by the utility.

Availability of Sewer: shall mean that sewer service is available at all times through a sewer main located within a distance that the Authority deems reasonable, whether or not sewage is actually collected from the subscriber's property by the utility, and whether or not a service outlet is located inside the boundary of the property served.

Commercial Customer: shall mean a customer who uses a property for commercial or public purposes.

Authority: shall mean Tennessee Regulatory Authority.

Authority Rule: shall mean any rule or regulation duly adopted by the Authority and applicable to sewer utilities under Authority jurisdiction.

Contributor: shall mean a person who requests sewage treatment service and agrees to the terms of a sewer service agreement.

Customer: shall mean a person, firm, corporation, association or governmental unit furnished sewer service by the utility.

Customer's Service Line: shall mean the connecting facilities extending from the utility's central collection point to the customer's septic tank. This line is installed and maintained at the cost and expense of the customer.

Discontinuance of Service: shall mean the disconnection of sewer service at the customer's request.

Main: shall mean the sewer pipe owed, operated or maintained by the utility which is used for the purpose of collection or transmission of sewage, but does not include the "customer service line". The main is usually located in a public highway, street, alley, or private right-of-way.

Person: shall mean any individual, corporation, partnership, cooperative, or association.

Premise: shall mean (1) a single structure owned or leased by a customer as one place of business; or (2) a combination of structures owned or leased by a customer, which is located on a single site.

Property: shall mean a single lot or subdivided parcel of land including improvements thereon, to which sewer service is provided or to which sewer service is available to be provided upon request

Subscriber: shall mean a person, firm, corporation or governmental unit who is a nonuser of the sewer service provided by the utility, but sewer service is available to the property of such person, firm, corporation or governmental unit.

Tap Fee: shall mean a non-recurring, non-refundable charge related to the cost of installing the treatment facility and the utility's main line.

Tariff: shall mean the entire body of effective rates, charges, rules and regulations, as set forth herein.

Termination: shall mean the disconnection of sewer service not at the customer's request.

Utility: shall mean H C Sewage Treatment LLC who owns and operates the facilities used in connection with collecting sewage from the public for compensation within Carter County, State of Tennessee.

Utility's Service Line: shall mean the connecting line between the utility's central collection point and the utility's treatment plant.

2. FILING, POSTING AND EFFECT.

2.1 Tariff of the Utility: A copy of this tariff comprising the Rates, Rules and Regulations governing the provision of sewer services by the utility is on file with the Authority and is posted and available for inspection at the utility's office. These rates, rules and regulations are part of the contract with every customer, and every customer, by taking sewer service, agree to be bound hereby.

2.2 Authority Rules and Regulations: The utility, in its operations, shall conform with all applicable rules and regulations promulgated from time to time by the Tennessee Regulatory Authority.

2.3 Change in Rates, Rules or Regulations: No schedule of rates, rules or regulations shall be changed or put into effect until the proposed change has been approved by the Authority, unless the change is exempt from such approval by statute or other provisions of law.

3. APPLICATION PROCEDURE FOR SERVICE, CHANGE IN CUSTOMER OR SERVICE.

3.1 Apply for New Service: Before new sewer service is provided by the utility, a prospective customer shall complete and submit to the utility a written application for service. Service can be provided if the applicant is in compliance with the utility's rules and regulations as set forth in this tariff.

3.2 Contract for Utility Service: The customer's application, if accepted by the utility, and these Rules and Regulations constitute the contract between the customer and the utility; and each customer, by the taking of utility service, agrees to be bound thereby.

3.3 Information to Customers: The utility, when accepting application for sewer service, will give full information to the applicant concerning type of service to be rendered and rates which will be applicable.

3.4 Duty to Notify Utility of Change in Service: It shall be the obligation of each customer to provide the utility seven days' notice of changes in service. The notice should include discontinuation of service, change in billing address or change in type of service. If service is to be disconnected, then upon receipt of such notice the utility shall submit to the customer a final bill for services rendered.

4. CUSTOMER'S DEPOSITS.

4.1 Right to Require Deposit: The utility may require a cash deposit as a condition of new sewer service. Such deposit shall not exceed an amount equal to two (2) times the actual monthly bill for the service requested. The utility may also require payment of any prior outstanding account, if due and owing to utility, as a condition of new sewer service.

4.2 Utility's Duty to Maintain Deposit: A deposit received by the utility shall be recorded and maintained in accordance with the Tennessee Regulatory Authority rules and procedures. This includes keeping the following deposit records: (a) the name of the customer making the deposit, (b) the account number, (c) the amount of the deposit and the date of receipt, and the accrued interest (d) a record of each transaction concerning the deposit. The deposits will be held no longer than 24 months unless the customer has an outstanding account or has shown a pattern of late payment .

4.3 Utility's Duty to Refund Deposit upon Discontinuance of Service: Upon final discontinuance of service, the utility may apply the deposits to any amount due from the customer for service. Deposits will be retained by the utility as long as required to insure payment of bills. Any balance due the customer shall be promptly refunded.

4.4 Unclaimed Deposits: A record of each unclaimed deposit will be maintained for at least three years, during which time the utility will make a reasonable effort to return the deposit.

5. EXTENSION OF MAIN

5.1 Service Extension: The utility can extend its service for any person making a written application for sewer service. The prospective customer shall clearly state the type of sewer service desired and must provide the necessary rights of way for the laying of any sewer lines across lands of an intervening landowner or across any existing road, street or highway. The utility will estimate the ability to treat the proposed effluent and the cost of providing the service requested. The prospective customer will be responsible for paying the costs of providing sewer service to his property and a share of the cost in the treatment facility. Such payments are due and payable in advance of the provision of service facilities. The payment is to be collected only once as the customer's participation in the original installation of extended sewer distribution or collection facilities.

A. The contributor agrees to prepare and submit to the utility engineering plans meeting the utility's engineering specifications for the proposed sewer main extension, including associated sewer facilities that may be required in order to provide sewer service.

B. It is expressly understood and agreed that if the utility is delayed or prevented from installing the sewer facilities set forth in the contributor's engineering plans because of the utility's inability to secure pipe or other construction materials, or for any other causes beyond the utility's control, such non-performance shall be excused; provided, however, if such non-performance shall extend for a period of one (1) year or more beyond the scheduled time of completion, the contributor will have the right to cancel and terminate the main extension agreement on thirty (30) days' written notice to the utility. If the contributor elects to terminate the agreement, then the utility shall refund all money not expended, less the sum for any work or payments made prior to the notice of termination. The contributor's right to cancel and terminate shall not be invoked if the utility has received the construction materials and the contributor has made the deposit as hereinafter required, in which event the utility shall have the obligation to prosecute the work diligently to its completion.

C. The utility shall own the sewer facilities installed by the utility pursuant to the contributor's engineering plans.

D. The service agreement shall be binding upon the heirs, executors, administrators, successors and assigns of the respective parties.

E. At any time when the utility determines that the contributor's payment of the estimated cost of the extension is insufficient to pay for the actual cost, the contributor shall be required to provide the utility an additional payment to cover the actual cost.

6. SERVICE CONNECTIONS

6.1 Tap Fee Requirements: For the original customers of the tap, a tap fee will be required in the amount of monies needed to recover the cost of the plant by figuring the customer's per gallon of projected effluent and pro-rating this amount by the total capacity of the plant, plus tax per each new sewer connection. The tap fee must be paid in advance of any installation or construction work. The tap fee shall only be collected once for a given customer. A customer connecting to an existing tap shall pay a tap fee in the amount of the monies needed for the actual upgrade.

6.2 Utility Shall Establish All Connections to Its Lines: The utility shall furnish and install its collection line to a central point on the property. . The utility's service line and collection point shall be the property of the utility and be accessible to and under the control of the utility at all times.

6.3 Customer Shall Establish Connection: The customer shall be responsible for furnishing and installing a grease and oil separator and septic tank. The minimum tank size will be according to the plans and specifications prepared by Jobe and McElyea Engineers , but in no case less than 1500 gallons. The customer shall provide the pipe from the building to the utility collection point. The utility shall keep the grease and oil separator and septic tank in good repair, at the customer's expense.

6.4 Utility Shall Inspect All Installations of Customer's Service Line: The customer shall notify the utility of the installation of the customer's grease and oil separator, septic tank and service line and the utility shall inspect the installation prior to its enclosure. In the installation, the customer shall leave the trench open and pipe uncovered until it is inspected by the utility and shown to be at proper depth, free from any tree or other interference, irregularity or defect. The customer shall not make any change to or rebuild any part of the system without prior notice to the utility

6.5 Location: Customer's grease and oil separator, septic tank and lines shall be laid consistent with the utility engineering plan, and in conformance with all governmental regulations and ordinances.

6.6 Customer Responsibility: It is the responsibility of the customer to take every precaution to insure against the disruption of sewer service being furnished. Particular care must be taken to safeguard the grease trap to prevent the entrance of foreign matter or materials into the sewer system. Prompt notice of any difficulty experienced in the utilization of the sewer service is imperative in order that prompt attention may be given so as to alleviate conditions detrimental to health and sanitation considerations.

6.7 Repair of Customer's Service Line: The maintenance and repair of the customer's grease and oil separator, septic tank and discharge line are the responsibilities of the utility. The utility shall render a bill for such service at the prevailing local rates based upon labor and materials and payment therefor shall be made by the customer within thirty (30) days.

6.8 Access to Property: The utility shall have access at all reasonable hours to connections and other equipment and property of the utility located on the customer's premises for purposes of installing, maintaining, operating, removing and/or replacing such connections, equipment and property.

7. BILLING AND PAYMENT.

7.1 Time of Rendering Bills: All bills shall be rendered monthly and shall be due and payable upon receipt. Customers are billed either (i) as actual users of the sewer system, or (ii) as subscribers with sewer service available for use. The monthly charges for users and subscribers of each service are set forth in the Rate Schedule attached hereto. In addition, state and local sales tax required by the taxing authorities, shall be billed on a monthly basis.

7.2 Responsibility for Correct Customer Billing: It is the responsibility of the customer to notify the utility of the need for service or any change in service. The utility likewise has the responsibility to its customers

to regularly monitor the service area in order to advise potential customers of the utility's existence and the services provided.

7.3 Failure to Receive Bill: Failure to receive a bill will not exempt the customer from payment. The customer shall be responsible to notify the utility within fifteen (15) days of the end of a billing period if no bill has been received, and the utility shall send a new bill to the customer upon such notice.

7.4 Payment by Check: The utility, at its option for good cause, may refuse to accept a check tendered as payment on a customer's account and require payment in cash. Any check returned for insufficient funds will have a service charge of \$20.00 for handling.

7.5 Adjustments of Bills - Customer Inadvertently Overcharged: If the utility has inadvertently overcharged a customer as a result of a misapplied schedule or any other human or machine error, the utility shall, at the customer's option, credit or refund the excess amount paid by the customer.

7.6 Adjustments of Bills - Customer Inadvertently Undercharged: If the utility has undercharged any customer as a result of a misapplied schedule or any human or machine error, the utility may recover the deficient amount within a period of six months.

7.7 Complaints: Complaints by customers concerning the charges, practices, facilities, or services of the utility shall be investigated promptly and thoroughly. When the Authority has notified the utility that a complaint has been received concerning a specific account, the utility shall refrain from terminating the service of that account until the Authority's investigation is completed and the results have been received by the utility.

8. TERMINATION OF SERVICE.

8.1 Grounds for Termination of Service: Service may be refused or discontinued only for the reasons listed below:

- (a) Without notice in the event of a condition determined by the utility to be hazardous.
- (b) Without notice in the event of customer use of equipment in such a manner as to adversely affect the utility's equipment or the utility's service to others.
- (c) Without notice when the utility has discovered clear and convincing evidence that by fraudulent means a customer has obtained unauthorized sewer service or has diverted such service for unauthorized use.
- (d) In the event of tampering with the equipment furnished and owned by the utility.
- (e) For violation of, or non-compliance with, the rules which the utility has filed with the Authority
- (f) For failure of the customer to fulfill his contractual obligations for service and/or facilities subject to regulations by the Authority.
- (g) For failure of the customer to permit the utility reasonable access to its equipment.
- (h) For non-payment of a customer's bill provided that the utility has made a reasonable attempt to collect and has given the customer written notice to make settlement on his account or have his service denied. Service shall not be terminated for non-payment of a customer's bill until the account has been past due for a minimum of thirty (30) consecutive days.
- (i) For failure of the customer to furnish such service equipment, permits, certificates, and/or rights-of-way, as shall have been specified by the utility as a condition to obtaining service, or in the event such

equipment or permissions are withdrawn or terminated.

8.2 Written Notice of Termination: Before service is terminated, the customer shall be permitted at least seven days, following mailing of written termination notice, in which to cure the default or eliminate the condition for which the service is being terminated.

8.3 Dispute Procedures: When a prospective customer is refused service based on the "Grounds for Termination of Service" set forth in Section 8.1 above, the utility shall notify such customer promptly of the reason for the refusal to serve and of his right to appeal the utility's decision to the Authority.

8.4 Disconnection/Reconnecting: In all cases of termination of service, where the cause for termination has been corrected, and all rules of the utility on file with the Authority have been complied with, the utility shall promptly restore service to the customer. When service has been terminated, the utility shall charge \$50.00 for disconnection. At the time service is restored, the utility shall charge \$50.00 for each occurrence.

9. DISCONTINUANCE OF SERVICE.

9.1 Customer's Discontinuance of Service: Any customer desiring service to be discontinued shall give a written notice to the utility. Until the utility receives such notice, the customer may be held responsible for all services rendered. Upon request by the customer for disconnection, service will be terminated. The utility shall charge \$50.00 for restoring the service if at a later date reconnecting is requested by the customer.

9.2 Availability Rates: Disconnected customers will be billed based on the availability rates in effect.

H C SEWAGE TREATMENT, LLC

SEWER RATE SCHEDULE

Minimum 10,000 Gallons:	\$100.00 per month
Additional Gallons:	\$10.00/1000 gallons per month

OTHER FEES

Tap Fee:	See below*
Deposit:	\$equivalent, two months bill**
Disconnection-Reconnecting:	\$50 Per Sewer Disconnect
Customer's Request or for Good Cause:	\$50 Per Sewer Disconnect
Bills Due:	On Billing Date
Bills Past Due:	15 days after billing date
Billing Frequency:	Monthly
Return Check Charge	\$20.00 each occurrence
Subject to appropriate Sales Tax	

- For the original customers of the tap, a tap fee will be required in the amount of monies needed to recover the cost of the plant by figuring the customer's per gallon of projected effluent and pro-rating this amount by the total capacity of the plant, plus tax per each new sewer connection. (I.e. A customer's estimates per gallon of projected effluent to be 3000 gallons per day. This is equivalent to one-fourth of the plant's capacity. Therefore, the customer will pay one-fourth of the cost of the plant.) The tap fee must be paid in advance of any installation or construction work. The tap fee shall only be collected once for a given customer. A customer connecting to an existing tap shall pay a tap fee in the amount of the monies needed for the actual upgrade. A copy of this contractual agreement is shown in Exhibit 1.

- ** The gallons of projected effluent for the specific customer's business will be calculated on a 30 day basis. The total deposit will be equivalent to two months of service.

APPLICATION FOR SERVICE TAP

Premises No. _____

Service No. _____

The undersigned hereby applies to H C Sewage Treatment, LLL for the installation of a service connection for the premises described below:

Location No. _____ Street, Lot _____, Block _____

Addition owned by _____ to be occupied

by _____ for _____

purposes. Services to be paid for on basis of actual cost of plant and equipment by calculating the expected gallons of effluent and pro-rating this amount to the total capacity of the plant. A customer connecting to an existing tap shall pay the amount of the monies needed for the actual upgrade.

The Undersigned, for himself, his successors and assigns, agrees that any service rendered hereunder shall be subject to the provisions of the ordinances of the H C Sewage Treatment LLC governing the Sewer Treatment Plant and its patrons, that any agent of the said LLC shall have access to the service pipes and appurtenances for the purpose of maintaining and regulating the service, that no additional fixtures will be connected without a written plumbing permit from the proper authority and that no person will be permitted to carry sewer from the said premises without permission of the Sewage Treatment.

It is further agreed that any modification of this agreement must be in writing and signed by the order of the LLC.

Enclosed herewith is the amount chargeable for the above installation.

Witness

Owner or Agent for Owner

Secretary of State
Division of Business Services
312 Eighth Avenue North
6th Floor, William R. Snodgrass Tower
Nashville, Tennessee 37243

DATE: 11/09/00
REQUEST NUMBER: 4033-2918
TELEPHONE CONTACT: (615) 741-2286
FILE DATE/TIME: 11/09/00 1401
EFFECTIVE DATE/TIME: 11/09/00 1401
CONTROL NUMBER: 0398572

TO:
PLANNING & DEVELOPMENT SERVICES, INC.
%JOY STRICKLAND
4718 LAKE PK DR #C
JOHNSON CITY, TN 37615

RE:
H C SEWAGE TREATMENT, L.L.C.
ARTICLES OF ORGANIZATION -
LIMITED LIABILITY COMPANY

CONGRATULATIONS UPON THE FORMATION OF THE LIMITED LIABILITY COMPANY IN THE STATE OF TENNESSEE WHICH IS EFFECTIVE AS INDICATED ABOVE.

A LIMITED LIABILITY COMPANY ANNUAL REPORT MUST BE FILED WITH THE SECRETARY OF STATE ON OR BEFORE THE FIRST DAY OF THE FOURTH MONTH FOLLOWING THE CLOSE OF THE LIMITED LIABILITY COMPANY'S FISCAL YEAR. ONCE THE FISCAL YEAR HAS BEEN ESTABLISHED, PLEASE PROVIDE THIS OFFICE WITH WRITTEN NOTIFICATION. THIS OFFICE WILL MAIL THE REPORT DURING THE LAST MONTH OF SAID FISCAL YEAR TO THE LIMITED LIABILITY COMPANY AT THE ADDRESS OF ITS PRINCIPAL OFFICE OR TO A MAILING ADDRESS PROVIDED TO THIS OFFICE IN WRITING. FAILURE TO FILE THIS REPORT OR TO MAINTAIN A REGISTERED AGENT AND OFFICE WILL SUBJECT THE LIMITED LIABILITY COMPANY TO ADMINISTRATIVE DISSOLUTION.

IN CORRESPONDING WITH THIS OFFICE OR SUBMITTING DOCUMENTS FOR FILING, PLEASE REFER TO THE LIMITED LIABILITY COMPANY CONTROL NUMBER GIVEN ABOVE. PLEASE BE ADVISED THAT THIS DOCUMENT MUST ALSO BE FILED IN THE OFFICE OF THE REGISTER OF DEEDS IN THE COUNTY WHEREIN A LIMITED LIABILITY COMPANY HAS ITS PRINCIPAL OFFICE IF SUCH PRINCIPAL OFFICE IS IN TENNESSEE.

FOR: ARTICLES OF ORGANIZATION -
LIMITED LIABILITY COMPANY

ON DATE: 11/09/00

FROM:
HAMPTON CARTER, LLC
4718 LAKEPARK DRIVE
SUITE 3
JOHNSON CITY, TN 37615-0000

RECEIVED: FEES \$300.00 \$0.00
TOTAL PAYMENT RECEIVED: \$300.00

RECEIPT NUMBER: 00002763659
ACCOUNT NUMBER: 00352431



Riley C. Darnell

RILEY C. DARNELL
SECRETARY OF STATE

FILED

CLERK OF COURT

ARTICLES OF ORGANIZATION

NOV-9 PM 2:01

OF

SECRETARY OF STATE

H C SEWAGE TREATMENT, L. L. C.

The undersigned natural person, desiring to organize a limited liability company, pursuant to the provisions of the Tennessee Limited Liability Act, Tennessee Code Annotated, § 48-201101, et seq., hereby adopts the following Articles of Organization:

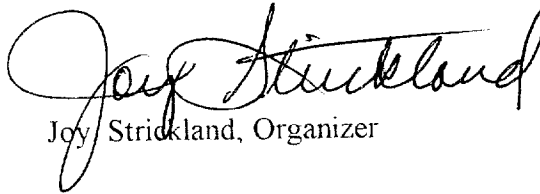
1. The name of the limited liability company shall be H C SEWAGE TREATMENT, L.L.C.
2. The name of the initial registered agent of the limited liability company is Joy Strickland, who is a resident of the State of Tennessee. Her business office and the initial registered office of the limited liability company shall be located at 4718 Lake Park Drive, Suite 3, Johnson City, TN. 37615. The initial registered office is located in Washington County, Tennessee.
3. The name of the organizer of this limited liability company is Joy Strickland. Her address is 4718 Lake Park Drive, Suite 3, Johnson City, Tennessee 37615.
4. At the time of the organization of this limited liability company, and at the time of the filing of these Articles of Organization, there are one (1) member of the limited liability company.
5. This limited liability company will be managed by its members.
6. The street address and zip code of the principal executive office of the limited liability company is 4718 Lake Park Drive, Suite 3, Johnson City, Tennessee 37615. The principal executive office is located in Washington County, Tennessee.
7. The limited liability company does not have the power to expel a member.
8. The purpose for which the limited liability company is formed is to carry on any lawful business not required to be stated in the Articles of Organization. The limited liability company shall have all such powers and authority as may be reasonable or necessary to the conduct of any such business unless otherwise prohibited by applicable law.
9. The period of duration of the limited liability company shall expire on December 31, 2050, at which time it shall be dissolved and its affairs wound up.
10. Neither the members nor the parties to any contribution or contribution allowance agreement have preemptive rights.

11. The interests of the members shall be in one Class. Class A interests shall possess unlimited voting rights. All attributes of the interest shall be identical including, but not limited to, the right to participate in distributions, whether the same be operating distributions or liquidating distributions of the limited liability company.
12. Each member of this limited liability company will be its agent for the conduct of its regular business. The agency of each member shall, however, in addition to the limitations set forth in Tennessee Code Annotated, § 48-238-103, be further limited as follows:
 - A. Only members possessing a majority of the Class A interests in the limited liability company shall have power to authorize the borrowing of monies; and
 - B. Only members possession a majority of the Class A interests in the limited liability company shall have power to authorize the buying, selling or leasing of real property.
13. A member of the limited liability company shall not be permitted to assign any financial rights related to his interest without the consent of members owning a majority of the Class A interests in the limited liability company.
14. The limited liability company shall indemnify each agent, manager and member made a party to any proceeding where: (1) he is or was an agent, manager or member; (2) such agent, manager or member conducted himself in good faith and reasonably believed that his conduct was in the best interest of the limited liability company; (3) such conduct was in such agent's, manager's or member's official capacity; and (4) in all other cases where such conduct was at least not opposed to the best interest of the limited liability company. In the event there shall be any criminal proceeding, this provision pertaining to indemnification shall also be applicable so long as such agent, manager or member had **no** reasonable cause to believe that his conduct was unlawful. In the event that the limited liability company shall establish an employee benefit plan and any agent, manager or member shall act in respect thereto, the right of indemnification herein set forth shall be applicable if such agent, officer or member reasonably believed such action (or failure to act) was in the best interest of the participants in, and the beneficiaries of, such plan or that his conduct was at least not opposed to their best interest. The provisions of this section shall not be applicable to any proceeding by or in the right of the limited liability company in which an agent, manager or member is adjudged liable to the limited liability company or in connection with any other proceeding where such agent, manager or member is charged with obtaining an improper personal benefit (whether or not involving action in his official capacity) and where such agent, manager or member is adjudged liable on the basis that personal benefit was improperly received by him. The determination of the entitlement to indemnification shall be made by the limited liability company subject to an agent's, manager's or member's right to bring an independent action for indemnification as provided in Tennessee Code Annotated, § 48-243-101 as

from time to time amended.

15. If any event specified in Tennessee Code Annotated, § 48-245-101(a)(5) shall occur, members holding a majority of the remaining interests may elect to continue the limited liability company and unanimous consent shall not be required.

IN WITNESS WHEREOF, I execute this instrument the 8th day of November, 2000.


Joy Strickland, Organizer

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